

MEMO

TO: Mayor and Town Councilmembers
FROM: Debbie Botchie, Town Manager
DATE: January 21, 2022
SUBJECT: American Rescue Plan Act (ARPA) / Coronavirus State and Local Fiscal Recovery Fund (SLFRF)

The American Rescue Plan Act (ARPA) was signed into law by President Biden in March 2021. The Coronavirus State and Local Fiscal Recovery Fund (SLFRF) guarantees direct relief to cities, towns, and villages in the United States.

The Town of Millville has been allocated \$337,965.97 (based on population and Town Budget). We received \$168,982.98 in 2021 and will receive the balance of \$168,982.99 in May of 2022.

There are restrictions on how the money can be spent. These are outlined in the Final Rule which was released by the U.S. Department of the Treasury. Also, the restrictions on this funding are overly complex. Please go to this website to read the Final Rule. <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>
Recipients may use SLFRF funds to:

- Replace lost public sector revenue
- Responding to Public Health and Economic Impacts of COVID-19
- Provide premium pay for eligible workers performing essential work
- Invest in water, sewer, and broadband infrastructure

Due to multiple complaints to the State Treasury on how to interpret the rules and restrictions, Claire DeMatteis from the Governor's office, worked with the Office of the State Treasury, to locate a law firm to help our jurisdictions with the implementation of the ARPA. The law firm chosen is Barnes & Thornburg, LLP. Each jurisdiction that signed the agreement with this firm only has to pay a small portion for their legal advice. The Town of Millville will only pay \$1,351.86 and it will be deducted from the second disbursement.

I asked Ms. DeMatteis (in an email in September) if the attorneys were liable should towns receive incorrect information and spend ARPA funds on a project the attorneys said was OK to expend money, then the audit shows the town has to pay the monies back to the federal government. Her response was as follows:

Deborah,

I do not anticipate a situation where the law firm would provide you or any town legal advice that would then result in the federal government ruling the funds were spent incorrectly. The law firm will have received confirmation

from the US Treasury in advance that the proposed project is ARPA eligible. And the approval would be properly documented so that all parties are confident it is an ARPA-eligible expense.

Regards,
Claire

After reviewing the Final Rule and receiving the written opinion from Barnes & Thornburg, LLP, Finance Director Lisa Wynn, and I are proposing the following expenditures from the funds. I have attached the pages from the Final Rule for your review:

- Responding to Public Health and Economic Impacts of COVID-19 (page 12)
- Assistance to nonprofits (page 23)
- Decreased revenue (e.g., from donations and fees. Page 23)
We are proposing \$100,000.00, or more, to be given to the Millville Volunteer Fire Company for their "Community Heroes Capital Campaign. As of this writing, I have not received a written opinion from the law firm.
- Premium Pay (page 35)
Premium pay may be awarded to eligible workers up to \$13 per hour.
 1. Identify an "eligible" worker. Eligible workers include workers "needed to maintain continuity of operations of essential critical infrastructure sectors." These sectors and occupations are eligible:
 - State, local, or Tribal government workforce
 2. Verify that the eligible worker performs "essential work," meaning work that involves either:
 - a. Regular, in-person interactions with patients, the public, or coworkers of the individual that is performing the work; or
 - b. Regular physical handling of items that were handled by, or are to be handled by, patients, the public, or coworkers of the individual that is performing the work.

I requested from the law firm, the definition of essential town employee. Written response attached.

As you all are aware, the town employees worked at the Town Hall every day, and no one requested to work from home during the State of Emergency lock down. The doors were closed to the public; however, we had signage on the door and website stating to call the Town number and staff would be out to help you. We mainly worked in the lobby area until we had the passthrough window installed. Each and every employee worked with the public either collecting payments, issuing building permits, stamping deeds, or just answering questions to individuals who still stopped by to pick up their Welcome to Millville bags. I had appointments with business owners, developers, and contractors and we had

to continue reviewing the site plans with them. Eric was in the field everyday doing inspections. He was at risk which made his “coworkers” at risk when he came back to the Town Hall.

The rule states a Town may give up to \$13 per hour for premium pay. I am requesting \$5 per hour. This amount is less than half of what could be paid out. Lisa’s spreadsheet is attached showing the amounts that would go to each employee FOR HOURS WORKED. Vacation, sick days, or comp time is not included in this total. Please understand this is not a bonus, but premium pay for employees that meet the rules criteria, which we do.

➤ Water & Sewer Infrastructure (pages 37 & 38) As of this writing, I have not received a written opinion from the law firm.

➤ Facilities to improve drinking water

➤ Infrastructure to improve access to safe drinking water for individuals served by residential wells.

I feel we would be able to pay for costs incurred for the Town to connect to Tidewater for the park and community center.

➤ Timeline for Use of Funds (page 43)

Under the SLFRF, funds must be used for costs incurred on or after March 3, 2021. Further, costs must be obligated by December 31, 2024, and expended by December 31, 2026.

Total Funds Allocated:	\$337,965.97
Proposed Premium Pay:	52,424.75
SS & Medicare on PP:	<u>4,010.49</u>
	\$281,530.73
Proposed MVFC:	<u>100,000.00</u>
	\$181,530.73

I do not have any idea on the costs associated with tapping into Tidewater. I do have invoices paid to GMB on their work to date; however, I can say for sure this project will not cost \$181,530.73. Hopefully, we will be able to contribute more to the fire company.